

MEMORANDUM TO: General Counsel

THROUGH : Deputy Director (Support) 120 11

SUBJECT : Proposed Change in Statutory Authority for
Procurement by Negotiation

1. In the recent report of the Inspector General there was included the following RECOMMENDATION (Page 14, Para. III C.1.e of the Report): "Inasmuch as Congress did not specifically intend to the Agency the authority to negotiate research and development and standardization contracts, CIA may be open to criticism (by Congress in response to a complaint by a disgruntled potential supplier) for justifying such contracts under other provisions of the ACT. Therefore, it is recommended that the General Counsel determine whether the Agency should obtain the authorities of the Armed Services Procurement Act to negotiate both standardization and research and development contracts, bearing in mind that the latter authority must not be encumbered with the proviso of the Armed Services Procurement Act which requires a semi-annual report to Congress of each negotiated research and development contract."

2. This Office concurs in this Recommendation; specifically that the authorities contained in Section 2 (c) (11) and (13) of the Armed Services Procurement Act (Public Law 413, 80th Congress) be made applicable to this Agency.

3. As a corollary matter, although not contained in the Inspector General's report, it is also recommended that consideration be given to simultaneously initiating necessary legislative action to make available to this Agency the authorities contained in Section 2 (c) (7) (9) (14) (16) of the Armed Services Procurement Act. It is believed that the subject matter of these authorities is self-explanatory as to the Agency's need for the same.

4. This Office would appreciate being advised of your decision on these recommendations, and if legislative action is initiated, being kept up to date on its progress.

JAMES E. GARRISON
Director of Logistics

OL/PD/CB/HFW:jds (12 May 1955)
Retyped per DD/S request (6 Jun '55)
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